

General Fund Multi-Year Forecast at 2016 Budget Act

(Dollars in Millions)

	2015-16	2016-17	2017-18	2018-19	2019-20
RESOURCES:					
Prior Year Balance	\$3,444	\$4,874	\$2,716	\$3,180	\$1,101
Revenues/Transfers	\$118,815	\$123,604	\$127,900	\$129,005	\$133,251
Transfer to the Budget Stabilization Account ^{1/}	-\$1,814	-\$3,294	-\$1,138	-\$968	-\$1,000
Total Resources	\$120,445	\$125,184	\$129,478	\$131,217	\$133,352
EXPENDITURES:					
Proposition 98	\$49,722	\$51,050	\$52,706	\$52,133	\$53,244
Non-Proposition 98	\$65,849	\$71,418	\$73,592	\$77,983	\$83,294
Total Expenditures	\$115,571	\$122,468	\$126,298	\$130,116	\$136,538
FUND BALANCES:	\$4,874	\$2,716	\$3,180	\$1,101	-\$3,186
Reserve for Encumbrances	\$966	\$966	\$966	\$966	\$966
Special Fund for Economic Uncertainties	\$3,908	\$1,750	\$2,214	\$135	-\$4,152
Budget Stabilization Account/Rainy Day Fund	\$3,420	\$6,714	\$7,852	\$8,820	\$9,820
BSA balance as a percentage of General Fund tax proceeds	2.9%	5.4%	6.2%	6.9%	7.4%
Operating Surplus/Deficit with BSA Transfer	\$1,430	-\$2,158	\$464	-\$2,079	-\$4,287

^{1/} Includes additional \$2 billion BSA transfer in 2016-17.

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2

2016 Budget Act

(Dollars in Millions)

	Outstanding Amount at Start of 2016-17	Use of 2016-17 Pay Down	Proposed Use of 2017-18 Pay Down	Proposed Use of 2018-19 Pay Down	Proposed Use of 2019-20 Pay Down
Budgetary Borrowing					
Loans from Special Funds	\$1,822	\$454	\$252	\$392	\$483
Underfunding of Proposition 98—Settle-Up	1,232	218	347	156	1
Repayment of pre-Proposition 42 Transportation Loans	879	173	220	220	266
State Retirement Liabilities					
State Retiree Health	74,103	278	150	200	250
State Employee Pensions	49,592	0	0	0	0
Teacher Pensions ^{1/}	72,626	0	0	0	0
Judges' Pensions	3,279	0	0	0	0
Deferred payments to CalPERS	570	0	0	0	0
University of California Retirement Liabilities					
University of California Employee Pensions	10,786	171	169	0	0
University of California Retiree Health	17,270	0	0	0	0
Total	\$232,159	\$1,294	\$1,138	\$968	\$1,000

1/ The state portion of the unfunded liability for teacher pensions is \$13.939 billion.

**Projections of 2016-17 General Fund
(Dollars in Millions)**

	Projections at:				
	2016 Budget Act ^{1/}	2015 Budget Act	2014 Budget Act	2013 Budget Act	2012 Budget Act
Total Revenues and Transfers	\$120,310	\$120,256	\$117,127	\$116,101	Not Available
Total Expenditures	122,468	120,599	117,126	115,178	Not Available

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2016-17 General Fund total resources and total expenditures be accompanied by the projections for the same year from the previous four budget acts. Each forecast is based on the assumptions in place at that time.

The 2016 Budget Act multi-year projection is based on existing state/federal law and state policies, adjusted for any proposals for changes included in the 2016 Budget Act. It reflects various assumptions depending on the particular program regarding changes in enrollment, caseload, and population. The projections also use various cost escalation and COLA factors depending on the particular program.

^{1/} Pursuant to Proposition 2 of 2014, projected revenues are reduced by \$1.294 billion reflecting the required transfer to the Budget Stabilization Account (BSA). In addition, the 2016 Budget Act includes \$1.294 billion to pay down debt, as reflected on the previous page, and includes an additional \$2 billion transfer to the BSA that further reduces projected revenues.